

**REMARKS**

Claims 1-5 and 7-17 are pending in the present application. Claims 1, 7, 8, and 9 have been amended. Reconsideration and reexamination of pending claims 1-5 and 7-17 is respectfully requested.

**Rejections Under 35 USC § 112**

The Examiner has rejected claim 9 under 35 U.S.C. 112 as being indefinite. Applicant has amended claim 9 to resolve the indefinite rejection.

**Rejections Under 35 USC § 103**

The Examiner has rejected claims 8-11 under 35 U.S.C. 103(a) as being unpatentable over Jones et al in view of Ramachandran et al. Applicant respectfully traverses the Examiner's arguments relating to these claims and claim 8 has been amended so as to more clearly define the invention and the distinctions as against the references.

Initially, the combination suggested by the Examiner does not teach, describe, or suggest the invention called out in independent claim 8, as originally presented or as now amended for greater clarity. The combination lacks at least one element of independent claim 8. For example, the Examiner's proposed combination does not teach, describe, or suggest a standardized vending machine protocol, which includes a program only allowing acceptance of notes up to a first value. The references also do not address a Control Program for accepting notes of higher denominations, i.e. notes up to a second value that is greater than the first value which can be accommodated by a standardized vending machine protocol. Further, there is no teaching, description, or suggestion in the combination cited by the Examiner to store selected notes in a dispensable fashion for change in a vending machine transaction and storing all other notes in a non-dispensable fashion. For these reasons, independent claim 8 is patentable over the cited combination.

With respect to the dependent claims 9-11, as they are dependent on and add further limitations to an allowable base claim, they themselves are believed to be allowable.

The Examiner has rejected claims 1-5, 7, and 12-17 as under 35 USC 103 as unpatentable over Jones et al in view of Ramachandran and further in view of Katou et al. Applicant respectfully traverses the Examiner's arguments relating to these claims.

The combination suggested by the Examiner does not teach, describe, or suggest the invention of independent claims 1 and 7 as presented or as now amended for clarity, because the proposed combination lacks at least one element of each of these independent claims. With respect to claim 1, the references either alone or in combination lack a note hopper and program to calculate change to be dispensed from the note hopper and from the coin acceptor/changer. With respect to claim 7, the references either alone or in combination lack a note hopper that makes change in a vending machine transaction as called out in claim 7 and lacks a vending machine having a standard protocol program limited to accepting denominations of notes only up to threshold level, e.g. a first value, and a processor controlling the acceptance and recognition of notes up to a second value exceeding the first value, as addressed in claim 7.

The temporary storage box of Katou et al that the Examiner contends reads on the note hopper of the present invention fails to teach, describe, or suggest the functionality of the note hopper of the claimed invention. The temporary storage box of Katou et al does not make change, but rather returns all notes in a canceled transaction, or transports notes to a recycle box or deposit box upon a completed transaction. The temporary storage box of Katou et al never provides change in any transaction.

The Examiner has failed to give specific reasons for rejecting dependent claims 2-5. These dependent claims add additional limitations not taught or described in the

references identified or the combination suggested by the Examiner. For this reason, dependent claims 2-5 are patentable over the cited combination. Additionally, the rejected dependent claims, as they are dependent on and add further limitations to an allowable base claim, are themselves allowable.

With respect to dependent claims 12-17, the Examiner repeats his arguments with respect to dependent claims 9-11. As dependent claims 12-17 are dependent on, and add limitations to, allowable base claims, it is believed that they are themselves allowable.

In view of the above amendments and remarks, applicants respectfully request that this application be reviewed and that the claims, as amended, be allowed.

Please charge any deficiency in fees or credit any overpayments to Deposit Account No. 07-1896.

Respectfully submitted,

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J.D. Harriman II, Reg. 21,967

DLA Piper US LLP  
1999 Avenue of the Stars, Suite 400  
Los Angeles, California 90067-6023  
Tel: (310) 595-3000  
Fax: (310) 595-3300